



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 5, 2001

CERTIFIED RETURN RECEIPT
7000 0520 0021 7582 9569

Dana Dean
Chemical Lime Company
P.O. Box 985004
3700 Hulen Street
Fort Worth, Texas 76107

Re: Five-Year Review of Reclamation Surety Estimate, Chemical Lime Company, Marblehead Mountain Processing Plant, M/045/024, Tooele County, Utah

Dear Ms. Dean:

Thank you for providing the requested information regarding the five-year review status of your Marblehead Mountain Processing Plant, located in Tooele County, Utah. The last surety estimate for this mine was \$272,000 in 1998 dollars. Upon review of the information furnished by Chemical Lime Company, which stated that there had been no changes at the site, we find we only need to escalate the present bond for a five-year period.

The surety for the Marblehead Mountain Mine escalated to the year 2006 is \$386,200. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than December 11, 2001.

If you provide a rider to the existing surety, no other paperwork will be required. However, if you choose to post another form of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms or you may access the current forms on the internet at www.nr.utah.gov. If you choose to post a new form of surety, you will also need to replace the Reclamation Contract, which is found on the web along with the bonding forms.

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Attachment: Surety estimate update
cc: Doug Jensen, DOGM
M45-24-bond-escal.doc

SURETY ESTIMATE UPDATE

Chemical Lime Company

Marblehead Mountain Mine FILE # M/045/024 Tooele County

Prepared by Utah Division of Oil, Gas & Mining Last Update DATE 02/10/93

DESCRIPTION:

- Previous reclamation surety estimate was \$272,000 in year 1998 dollars
- Reclamation Estimate base amount calculated in 1988-\$
- This update adjusts the surety amount for escalation only.
- This estimate does not include topsoil redistribution or mulch application.
- This estimate includes demolition and removal of processing buildings and structures.
- Surety update adjusts the 1988 estimate for escalation only.
- Escalation factors through 2000 are actual Means Historical Cost Indices

-Total disturbed area = 80 ACRES

| CALCULATIONS $F = P(1 + i)^{**n}$ | YR | ESCAL FACTOR | BOND AMOUNT |
|---|-------------------|-----------------|----------------|
| | 1987 | 0.0195 | \$0 |
| | 1988 | 0.0181 | \$239,800 |
| | 1989 | 0.0177 | \$244,044 |
| | 1990 | 0.0077 | \$245,924 |
| | 1991 | 0.0127 | \$249,047 |
| | 1992 | 0.0221 | \$254,551 |
| | 1993 | 0.0261 | \$261,195 |
| | 1994 | 0.0321 | \$269,579 |
| | 1995 | 0.0193 | \$274,782 |
| F = Future Sum | 1996 | 0.0242 | \$281,431 |
| P = Present Sum | 1997 | 0.0236 | \$288,073 |
| i = Escalation Factor | 1998 | 0.0502 | \$302,535 |
| n = number of periods | 1999 | 0.0200 | \$308,585 |
| | 2000 | 0.0312 | \$318,213 |
| Three Yr Average = 3.12% | 2001 | 0.0312 | \$328,141 |
| Used to Project 5 Yrs | 2002 | 0.0312 | \$338,379 |
| From the Year 2000 | 2003 | 0.0312 | \$348,937 |
| | 2004 | 0.0312 | \$359,824 |
| | 2005 | 0.0312 | \$371,050 |
| | 2006 | 0.0312 | \$382,627 |
| Updated Surety Amount Rounded (2006-\$) | | | \$382,600 |
| ** Average cost per acre = | \$4,782 (\$/ACRE) | | |